

Informal Meeting of Ministers for Research

Background note on Simplification

16th July 2010, Brussels

The EU Framework Programme for Research and Technological Development constitutes an essential tool for supporting and stimulating research thus consolidating the European Research Area (ERA).

Nonetheless participating in the framework programme remains administratively complex and cumbersome, not only for the candidates but also for the beneficiaries including individual researchers, public research institutions, universities and companies (SMEs in particular). During the lifecycle of a research project (starting from the call of proposals and the selection and funding of the project, accompanied with rigorous controls and reporting) the cost in human capital and time can be high, not only for the participants but also for the departments of the Commission. On top of that, the European research landscape is very complex where many programmes and specific instruments co-exist and which are carried out along different rules and regulations.

Even after the simplification measures which have been introduced in the 7th Framework Programme, making it more effective and accessible, the process of administrative and financial simplification must be maintained thus ensuring the attractiveness of the framework programmes for the best researchers, industry and in particular SMEs. The main challenge consists in finding the right balance among trust and control which of course is inevitable when it comes to public funding.

The time is ripe and the context is favourable to lead this process in the right direction but it will require the commitment of all institutions involved if we want to be successful. Although the mid-term review of the 7th Framework Programme is on-going and the preparation of the next Framework Programme will shortly start, Belgium aims to continue the reflection on simplification following the adoption of the Council conclusions under the Spanish Presidency and in response of the three recent documents published by the Commission:

- The Communication of 29th April (COM (2010) 187) «Simplifying the implementation of the research framework programmes», where the Commission presents different options regarding simplification, to be implemented as well as in the current framework by modifying the current financial regulations and mechanisms as in the future Framework Programme. On May 26th 2010 the Competitiveness Council reacted to this Communication by adopting the following conclusions «Simplified and more efficient Programmes supporting European Research and Innovation» recalling the basic principles that underlie the simplification process. These conclusions provide general orientations stating the complexity of the system, improving quality, access and transparency, reducing the number of audits and favoring the interoperability of the different programmes and instruments.
- In the Communication of May 26th 2010 entitled «More or less controls? Striking the right balance among the administrative costs of control and the risk of error» (COM (2010) 261), the Commission proposes levels of tolerable risk of error in the

domain of research and suggests to fix the error rate between 2% and 5%. The reduction in control costs will thus be higher than the amounts reimbursed due to erroneous financial claims.

On May 28th the Commission published a proposal for the triennial revision of the Financial Regulation applicable on the general EU budget (COM (2010) 260), including articles directly concerning research.

Many important questions which have been raised by these initiatives need to be settled.

In this perspective the following questions are suggested as a basis for a political discussion between Ministers of Research on the issue of simplification. It will build on the reflection initiated at the technical seminar on Simplification on July 14th with participants from the different institutions (Commission, European Parliament and the Court of Auditors), experts and other stakeholders from which the Ministers will receive an oral report before the start of the discussion.

- 1) *The administrative burden related to detailed cost reporting and financial control and the related error rates could be drastically reduced by introducing result/output-based funding. However, such an approach would require the exact definition of the results/outputs to be achieved and a robust methodology for approving (or rejecting) results/outputs as a basis for payments. Under which circumstances would such an approach be beneficial?*
- 2) *Is the introduction of lump sums within FP programmes and instruments a desirable approach?*
- 3) *Under the current FP there is a variety of specific programmes and instruments (i.e. JTIs, ERC, PPPs, KICs, etc.) as well as several different activity types (research, demonstration, training etc) implemented according to different rules. How could the complexity of the EU research funding landscape and the multiplicity of rules best be reduced?*
- 4) *What should be the timing for simplification measures requiring changes to the legal basis? Bearing in mind that changes to the legal acts require the ordinary legislative procedure (former codecision) with associated lead time, is it worthwhile to envisage some changes yet to the FP7 rules. If yes, which ones?*

The main results of this discussion will make it possible to feed the conclusions which will be adopted by the Competitiveness Council under the Belgian Presidency.